



**Y E A R 2 0 2 5**

**Unaudited Condensed Consolidated  
Interim Financial Statements**

**FOR THE THREE MONTH PERIOD ENDED  
September 30, 2025**

# Titanium Transportation Group Inc.

## Notice To Reader

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Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice to this effect. The accompanying unaudited interim condensed consolidated financial statements of Titanium Transportation Group Inc. have been prepared by, and are the responsibility of, management of Titanium Transportation Group Inc..

Titanium Transportation Group Inc.'s independent auditor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the accompanying interim condensed consolidated financial statements. Readers are cautioned that these financial statements may not be appropriate for their intended purposes.

# Titanium Transportation Group Inc.

## Condensed Consolidated Interim Statements of Financial Position

(in '000 Canadian dollars)

(unaudited)

	<b>September 30</b>	<b>December 31</b>
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current		
Cash	20,743	4,317
Trade and other receivables	70,949	72,732
Current taxes recoverable	376	175
Finance lease receivables (note 6)	2,637	2,234
Prepaid expenses and deposits	3,862	3,663
Assets held for sale	-	1,942
	<u>98,567</u>	<u>85,063</u>
Finance lease receivables (note 6)	2,474	3,841
Property and equipment (note 7)	167,674	188,560
Right of use assets (note 8)	14,103	19,510
Deferred tax assets	3,359	2,952
	<u>286,177</u>	<u>299,926</u>
<b>Liabilities</b>		
Current		
Bank indebtedness (note 9, 12)	26,450	20,230
Acquisition loan (note 9)	-	1,125
Trade and other payables	50,071	39,793
Current taxes payable	-	12
Loans payable (note 9)	31,816	33,564
Finance lease liabilities (note 9)	7,525	5,940
	<u>115,862</u>	<u>100,664</u>
Loans payable (note 9)	71,536	96,565
Finance lease liabilities (note 9)	10,929	14,833
Deferred tax liabilities	7,853	7,955
	<u>206,180</u>	<u>220,017</u>
<i>Commitments and contingencies</i>		
<b>Shareholders' Equity</b>		
Share capital (note 10)	53,991	51,755
Contributed surplus (note 11)	10,447	10,434
Accumulated other comprehensive income	1,459	1,811
Retained earnings	14,100	15,909
	<u>79,997</u>	<u>79,909</u>
	<u>286,177</u>	<u>299,926</u>

On behalf of the Board

"Ted Daniel"

Director

"Bill Chyfetz"

Director

See accompanying notes

2.

# Titanium Transportation Group Inc.

## Condensed Consolidated Interim Statements of Income

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars, except for share amounts)

(unaudited)

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Revenue	102,267	105,038	316,825	305,343
Fuel surcharge	13,454	13,361	39,423	41,062
	<u>115,721</u>	<u>118,399</u>	<u>356,248</u>	<u>346,405</u>
Operating expenses				
Carriers and independent contractors	74,632	70,037	227,243	200,562
Vehicle operating	11,229	14,277	35,821	42,314
Wages and casual labour (note 14)	16,904	20,860	53,908	63,110
Other operating	4,050	2,933	11,610	10,224
	<u>106,815</u>	<u>108,107</u>	<u>328,582</u>	<u>316,210</u>
Income before the following	<u>8,906</u>	<u>10,292</u>	<u>27,666</u>	<u>30,195</u>
Depreciation (note 7, 8)	6,682	8,145	20,325	25,157
Loss (gain) on sale of property and equipment	(724)	324	2,846	(2,568)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Foreign exchange loss (gain)	118	(736)	(712)	1,043
Amortization of customer lists	-	459	-	1,374
	<u>8,451</u>	<u>10,985</u>	<u>29,933</u>	<u>34,502</u>
Income (loss) before income taxes	455	(693)	(2,267)	(4,307)
Income tax recovery	(105)	(286)	(458)	(2,213)
Income (loss) from continuing operations	560	(407)	(1,809)	(2,094)
Loss from discontinued operations	-	(1,093)	-	(1,053)
Net income (loss)	<u>560</u>	<u>(1,500)</u>	<u>(1,809)</u>	<u>(3,147)</u>
Earnings (loss) per share:				
Basic	0.01	(0.03)	(0.04)	(0.07)
Diluted	0.01	(0.03)	(0.04)	(0.07)
Earnings (loss) per share from continuing operations:				
Basic	0.01	(0.01)	(0.04)	(0.05)
Diluted	0.01	(0.01)	(0.04)	(0.05)
Weighted average number of shares outstanding (in number of shares):				
Basic (note 10)	45,504,657	44,358,497	45,079,323	44,315,351
Diluted (note 10)	46,496,758	45,507,072	46,065,460	45,460,429

# Titanium Transportation Group Inc.

## Condensed Consolidated Interim Statements of Comprehensive Income

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars)

(unaudited)

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Other comprehensive income (loss)				
Foreign currency translation	53	(858)	(352)	951
<b>Comprehensive income (loss)</b>	<b>613</b>	<b>(2,358)</b>	<b>(2,161)</b>	<b>(2,196)</b>

# Titanium Transportation Group Inc.

## Condensed Consolidated Interim Statements of Changes in Equity

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars)

(unaudited)

	<b>Share Contributed Capital</b>	<b>Surplus</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total</b>
Balances at December 31, 2024	51,755	10,434	15,909	1,811	79,909
Share issuance (note 10)	550	-	-	-	550
Shares vested (note 10)	440	(440)	-	-	-
Options exercised (note 11)	1,246	(481)	-	-	765
Share-based compensation expense (note 11, 14)	-	934	-	-	934
Comprehensive income (loss)	-	-	(1,809)	(352)	(2,161)
<b>Balances at September 30, 2025</b>	<b>53,991</b>	<b>10,447</b>	<b>14,100</b>	<b>1,459</b>	<b>79,997</b>
Balances at December 31, 2023	50,675	9,832	43,652	390	104,549
Share issuance (note 10)	624	-	-	-	624
Shares vested (note 10)	336	(336)	-	-	-
Options exercised (note 11)	11	(3)	-	-	8
Share-based compensation expense (note 11, 14)	-	814	-	-	814
Share cancellation (note 10)	(231)	-	(138)	-	(369)
Dividends paid (note 10)	-	-	(2,689)	-	(2,689)
Comprehensive income (loss)	-	-	(3,147)	951	(2,196)
<b>Balances at September 30, 2024</b>	<b>51,415</b>	<b>10,307</b>	<b>37,678</b>	<b>1,341</b>	<b>100,741</b>

# Titanium Transportation Group Inc.

## Condensed Consolidated Interim Statements of Cash Flows

(in '000 Canadian dollars)

(unaudited)

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
<b>Cash flows from operating activities</b>				
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Adjustments:				
Depreciation (note 7, 8)	6,682	8,145	20,325	25,157
Loss (gain) on sale of property and equipment	(724)	1,417	2,846	(2,883)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Amortization of customer lists	-	459	-	1,374
Share-based compensation expense (note 11)	314	271	934	814
Income tax recovery	(105)	(369)	(509)	(1,840)
	<u>9,102</u>	<u>11,216</u>	<u>29,261</u>	<u>28,971</u>
Net change in non-cash operating working capital	1,827	(1,390)	11,616	10,645
	<u>10,929</u>	<u>9,826</u>	<u>40,877</u>	<u>39,616</u>
Interest paid	(2,416)	(2,736)	(7,768)	(9,589)
Interest received	81	65	264	264
Income taxes refund (paid)	924	(139)	(265)	(1,863)
	<u>9,518</u>	<u>7,016</u>	<u>33,108</u>	<u>28,428</u>
<b>Cash flows from investing activities</b>				
Proceeds from finance lease receivables (note 12)	676	716	2,155	1,855
Acquisition of property and equipment (note 7)	(1,514)	(171)	(2,560)	(11,485)
Disposition of property and equipment (note 7)	2,828	4,134	4,798	18,188
	<u>1,990</u>	<u>4,679</u>	<u>4,393</u>	<u>8,558</u>
<b>Cash flows from financing activities</b>				
Repayment of bank indebtedness (note 12)	-	(261)	-	(11,052)
Proceeds from bank indebtedness (note 12)	763	-	5,606	-
Repayment of acquisition loans (note 12)	-	(625)	(1,125)	(1,875)
Proceeds from loans payable (note 12)	-	-	-	11,277
Repayment of loans payable (note 12)	(8,348)	(10,109)	(24,919)	(31,797)
Proceeds from finance lease liabilities (note 12)	1,514	-	2,466	-
Repayment of finance lease liabilities (note 12)	(1,265)	(1,992)	(4,418)	(5,891)
Dividends paid (note 10)	-	(900)	-	(2,689)
Issuance of shares (note 10)	180	203	1,315	632
Share repurchase (note 10)	-	-	-	(369)
	<u>(7,156)</u>	<u>(13,684)</u>	<u>(21,075)</u>	<u>(41,764)</u>
Increase (decrease) in cash	4,352	(1,989)	16,426	(4,778)
Cash, beginning	16,391	6,545	4,317	9,334
Cash, ending	<u>20,743</u>	<u>4,556</u>	<u>20,743</u>	<u>4,556</u>

Refer to note 12 for supplemental cash flow information.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

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### 1. REPORTING ENTITY

Titanium Transportation Group Inc. (the "Company" or "Titanium") commenced operations as a transportation company on July 3, 2002. The Company is a truck-based carrier and logistics broker servicing all of North America with distribution terminals in Bolton, Belleville, Bracebridge, Brantford, Napanee, Windsor, ON, Oakwood, GA and Falkville, AL with additional parking/switch yards in Sudbury, Brockville and Trenton, ON and freight brokerage offices in Bolton, Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA, Fayetteville, AR, Jacksonville, FL, Virginia Beach, VA and Irving, TX. The registered head office of the Company is at 32 Simpson Rd, Bolton, Ontario, L7E 1G9. Titanium was incorporated on July 11, 1989, under the Canada Business Corporations Act.

Trunkeast Investments Canada Limited ("Trunkeast") and the ultimate controlling shareholder, De Zen Investments Canada Limited, are significant shareholders of the Company.

The common shares of the Company trade on the Toronto Stock Exchange under the symbol "TTNM", and the OTCQX under the symbol "TTNMF".

The condensed consolidated interim financial statements include the accounts of the Company and all of its subsidiaries.

### 2. BASIS OF PRESENTATION

#### **Basis of Consolidation**

The condensed consolidated interim financial statements consolidate the accounts of the Company and all its subsidiaries. Subsidiaries are entities over which the Company has the power to govern financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date control ceases. Fully consolidated means that all transactions with subsidiaries and any intercompany balances, gains or losses with subsidiaries have been eliminated on consolidation. The accounting policies have been applied consistently by all subsidiaries.

All the Company's subsidiaries are wholly-owned, are domiciled in Canada and the United States, and are in the truck transportation or logistics industries.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed as incurred. The excess of the cost of the acquisition over the fair value of the acquisition's identifiable net assets is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated statements of comprehensive income. Contingent consideration is included in total consideration and is recognized at its fair value as at the acquisition date.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

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### 2. BASIS OF PRESENTATION - continued

#### Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards, and with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), ("IFRS"). These condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2024.

These condensed consolidated interim financial statements have been prepared by and are the sole responsibility of the Company's management.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 10, 2025.

#### Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis using historical cost, except for assets and liabilities acquired in business combinations, which are measured at fair value at the acquisition date.

#### Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars ("CAD"), which is the functional currency of the Company and its wholly owned subsidiaries unless otherwise stated. All financial information presented has been rounded to the nearest thousands of dollars, except per share amounts and where otherwise indicated.

The following subsidiaries operating primarily in the United States and have a functional currency of United States Dollar "USD": Titanium Transportation USA, Inc., Titanium American Logistics, Inc., Crane Transport, Inc., Titanium American Trucking, Inc., Flexmor Financial America, Inc. and Flexmor Trailers America, Inc.

#### Seasonality of Interim Operations

The activities of the Company are subject to seasonal demand for truck transportation. Historically, the Company has experienced weaker demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter. In addition, harsher winter conditions generally result in lower fuel economy and increased repair costs. Furthermore, the timing of acquisitions and variations in industry conditions could have a considerable impact on quarterly results. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

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### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies described in the Company's annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all subsidiaries.

#### **Use of Judgment**

The preparation of these condensed consolidated interim financial statements in accordance with IFRS, requires management to make judgments that affect the application of accounting policies and the interpretation of accounting standards. Management periodically reviews its judgments and underlying assumptions with regards to the significant items outlined below. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by judgment.

- a) *Impairment of non-financial assets* - Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). The Company must determine its CGU units grouping for the purpose of goodwill impairment testing. These CGUs consist of the Company's operating units: trucking and logistics.
- b) *Lease contracts* – Lease contracts with extensions, terminations or early buyout options are evaluated based on management judgment on whether it is reasonably certain that the option will be exercised. Management considers all relevant factors and economic incentives such as current market values of underlying assets, recent market renewals and third-party valuations. In addition, management also evaluates relevant factors such as bank mortgage rate, interest rates and borrowing conditions when assessing the incremental borrowing rate to measure the lease liability.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

### 3. MATERIAL ACCOUNTING POLICIES - continued

#### Use of Estimates and Assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses for the period. Management makes estimates based on specific facts or circumstances as well as past experiences. Management periodically reviews its estimates and underlying assumptions with regards to the significant items outlined below. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in the condensed consolidated interim statement of comprehensive income in the period in which they become known. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by estimates. Actual results could differ materially from these estimates, in which case the impact would be recognized in the consolidated financial statements in future periods.

- a) *Impairment of non-financial assets* – An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The determination of value in use requires the estimation and discounting of expected future cash flows which involves key estimates related to revenue growth rates, terminal growth rate, post-tax discount rate and capital expenditures.
- b) *Business combinations* – Tangible net assets acquired as part of a business combination are valued based on management estimates of current market values, recent selling activity and third-party valuations. Intangible assets are determined using an income approach. The customer list was fair valued using the multi-period excess earnings method. The significant assumptions in determining the fair value of the customer list include cash flow forecasts, estimated annual attrition rates and discount rates. Discount rates are estimated based on industry averages, company size and capital structure.
- c) *Impairment of trade and other receivables* – An allowance for lifetime expected credit losses is established based on a combined approach of specific account identification and the use of a provision matrix. Management regularly analyzes its approach and exposure to credit loss based on an analysis of all relevant current information as well as historical trends.
- d) *Depreciation and impairment of property and equipment and Right of Use Assets* – Estimates of useful lives for straight line depreciation are based on management's historical experience and are reviewed on an ongoing basis. Property and equipment, as well as Right-of-Use Assets, is assessed for impairment when events or changes in circumstances indicate that the Company may not be able to recover its carrying value.
- e) *Share-based payments* – Management estimates expected volatility, the expected life of the instrument and expected forfeitures when valuing share-based payments. Volatility is estimated based on historical trading data. The expected life of the instrument and expected forfeitures is based on past experience.
- f) *Provisions* – Estimates of expected settlements arising from matters involving litigation or accident claims are based on information provided by legal counsel or insurance professionals.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

### 3. MATERIAL ACCOUNTING POLICIES - continued

- g) *Income Taxes* – Deferred tax balances are estimated based on expected future tax rates and the probability of future taxable income needed to realize deferred tax assets. Expected future tax rates are based on currently enacted tax rates or pronounced changes. Future taxable income is based on past performance and future expected conditions.
- h) *Discontinued operations* – A discontinued operation is a component of the Company's activities that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

#### Revenue Recognition

The Company recognizes revenue, including fuel surcharge revenue, at the expected entitled amount for the transfer of promised services to customers. Revenue is measured on an "over time" basis, when the control of promised services is transferred to customers, at the fair value of the consideration received or receivable, with typical credit terms of 30 days, to the extent collection is probable. The Company does not engage in financing amounts receivable from customers.

The Truck Transportation and Logistics segment recognizes revenue on an "over time" basis, determined using the proportion of days completed to date compared to the estimated total days of service. For estimation of total days required for a load to be delivered, the Company utilizes satellite tracking and operational knowledge to reliably estimate the total length of haul in days, which allows the Company to measure percentage of completion. The Truck Transportation segment services its customers by physically transporting commodities and goods from the point of origin to the destination using the Company's resources. The Logistics segment offers freight transportation services to its customers using third party subcontractors, whom have their own insurance and operating authorities. The Company directs the activities of our third-party carriers to provide transportation services, is primarily responsible for fulfilling the promise, and has discretion in setting the prices with our customers. As such, the Company acts as a principal in the arrangement and recognizes revenue on a gross basis over time.

The Company recognizes sales under financing type leases when significant risks and rewards of ownership are transferred to the Company's independent contractors and the Company ceases to have effective control over the assets.

Finance income is recognized as it accrues in income, using the effective interest method.

#### New Standards not yet adopted

*IFRS 18, Presentation and Disclosure in Financial Statements*, was issued by the IASB in April 2024 and will replace the standards and interpretations in IAS 1, Presentation of Financial Statements. IFRS 18 will streamline the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure that they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 will be applied to an annual reporting period beginning on or after January 1, 2027. The Company has not early adopted these amendments.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

### 4. OPERATING SEGMENTS

The Company's business activities are made up of two main segments: Truck Transportation and Logistics. The Truck Transportation segment represents the pickup and delivery of full loads across Canada and the United States using a van, flatbed or other specialized equipment. The Logistics segment represents the brokering of freight across North America. The Company's CEO reviews internal management reports for each operating segment on a monthly basis. Operating segment results that are reported include items directly attributable to each operating segment, as well as those that can be allocated on a reasonable basis. Unallocated items ("Corporate") are comprised mainly of expenses required to operate a publicly traded and multi-entity organization.

	<b>Truck Transportation</b>	<b>Logistics</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Three months ended September 30, 2025</b>					
Revenue - external	52,768	62,953	-	-	115,721
Revenue - internal	1,079	-	-	(1,079)	-
<b>Total revenue</b>	<b>53,847</b>	<b>62,953</b>	<b>-</b>	<b>(1,079)</b>	<b>115,721</b>
Operating expenses	46,122	60,650	1,122	(1,079)	106,815
Depreciation	6,350	332	-	-	6,682
Finance costs	1,859	597	-	-	2,456
Finance income	(81)	-	-	-	(81)
Income (loss) before income taxes	321	1,374	(1,240)	-	455
Income taxes (recoveries)	300	-	(405)	-	(105)
Capital expenditures	1,514	-	-	-	1,514
<b>Three months ended September 30, 2024</b>					
Revenue - external	57,436	60,963	-	-	118,399
Revenue - internal	667	-	-	(667)	-
<b>Total revenue</b>	<b>58,103</b>	<b>60,963</b>	<b>-</b>	<b>(667)</b>	<b>118,399</b>
Operating expenses	50,244	57,403	1,127	(667)	108,107
Depreciation	7,887	258	-	-	8,145
Finance costs	2,613	245	-	-	2,858
Finance income	(65)	-	-	-	(65)
Income (loss) before income taxes	(3,359)	3,057	(391)	-	(693)
Income taxes (recoveries)	(1,035)	836	(87)	-	(286)
Capital expenditures	171	-	-	-	171

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

### 4. OPERATING SEGMENTS - continued

	<b>Truck Transportation</b>	<b>Logistics</b>	<b>Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Nine months ended September 30, 2025</b>					
Revenue - external	161,575	194,673	-	-	356,248
Revenue - internal	2,763	-	-	(2,763)	-
<b>Total revenue</b>	<b>164,338</b>	<b>194,673</b>	<b>-</b>	<b>(2,763)</b>	<b>356,248</b>
Operating expenses	142,405	185,873	3,067	(2,763)	328,582
Depreciation	19,391	934	-	-	20,325
Finance costs	6,225	1,513	-	-	7,738
Finance income	(264)	-	-	-	(264)
Income (loss) before income taxes	(6,265)	6,353	(2,355)	-	(2,267)
Income taxes (recoveries)	(1,121)	1,339	(676)	-	(458)
Capital expenditures	2,560	-	-	-	2,560
<b>Nine months ended September 30, 2024</b>					
Revenue - external	173,052	173,353	-	-	346,405
Revenue - internal	1,853	-	-	(1,853)	-
<b>Total revenue</b>	<b>174,905</b>	<b>173,353</b>	<b>-</b>	<b>(1,853)</b>	<b>346,405</b>
Operating expenses	151,371	163,588	3,104	(1,853)	316,210
Depreciation	24,385	772	-	-	25,157
Finance costs	8,732	1,028	-	-	9,760
Finance income	(264)	-	-	-	(264)
Income (loss) before income taxes	(8,125)	7,964	(4,146)	-	(4,307)
Income taxes (recoveries)	(3,286)	2,161	(1,088)	-	(2,213)
Capital expenditures	11,485	-	-	-	11,485

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

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(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

### 4. OPERATING SEGMENTS - continued

Revenue is attributed to geographical locations based on the location of the origin of the service. Majority of the Company's assets are located in Canada.

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Canada	57,038	58,476	175,600	174,771
United States	58,683	59,923	180,648	171,634
	<b>115,721</b>	<b>118,399</b>	<b>356,248</b>	<b>346,405</b>

Segment assets are based on the geographical location of the assets.

All of the Company's assets are located in Canada and United States. The assets presented below include property and equipment, right-of-use assets and assets held for sale.

	<b>Sept 30 2025</b>	<b>Dec 31 2024</b>
Canada	136,550	155,732
United States	45,227	54,280
	<b>181,777</b>	<b>210,012</b>

# Titanium Transportation Group Inc.

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### 5. DISCONTINUED OPERATIONS

On April 1, 2024, the Company began ceasing operations in its Cornwall terminal, and selected operations in other geographical areas.

The financial information presented below is directly attributable to ceased operations. All administrative expenses and various selling and distribution expenses from shared, centralized and common functions of the Company are excluded from the determination of discontinued operations.

#### Income (loss) from discontinued operations

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Revenue	-	-	-	3,253
Operating expenses				
Carriers and independent contractors	-	-	-	2,007
Wages and casual labour	-	-	-	298
Vehicle operating	-	-	-	1,446
Other operating	-	-	-	192
Results from operating activities	-	-	-	(690)
Loss (Gain) from sale of equipment	-	1,093	-	(315)
Income (Loss) before income taxes	-	(1,093)	-	(375)
Income tax expense	-	-	-	678
Income (loss) from discontinued operations	-	(1,093)	-	(1,053)
Loss per share from discontinued operations:				
Basic	0.00	(0.02)	0.00	(0.02)
Diluted	0.00	(0.02)	0.00	(0.02)

The following table presents the effect of discontinued operations on the condensed consolidated interim statements of cash flows:

Net cash flow from operating activities	-	-	-	(690)
Net cash flow from investing activities	-	587	-	2,442
Net cash flow for the period	-	587	-	1,752

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

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### 6. FINANCE LEASE RECEIVABLES

During the nine month period ended September 30, 2025, the Company entered into new finance leases totaling \$1.7 million which are receivable over 9 to 60 months with interest rates ranging from 4.75% to 8.00%.

### 7. PROPERTY AND EQUIPMENT

	<b>Land, Buildings and Leaseholds</b>	<b>Furniture and Equipment</b>	<b>Rolling Stock</b>	<b>Total</b>
<b>Cost</b>				
Balances, December 31, 2024	29,880	4,079	215,641	249,600
Other additions	-	-	94	94
Reacquisition - Rolling stock	-	-	649	649
Sale of rolling stock relating to finance lease receivables	-	-	(2,531)	(2,531)
Purchase of lease assets	-	-	4,640	4,640
Other disposals	-	-	(7,881)	(7,881)
Effect of movements in exchange rates	(276)	(8)	(1,541)	(1,825)
Balances, September 30, 2025	29,604	4,071	209,071	242,746
<b>Accumulated depreciation</b>				
Balances, December 31, 2024	5,441	3,856	51,743	61,040
Depreciation	554	123	16,531	17,208
Other disposals	-	-	(2,110)	(2,110)
Sale of rolling stock relating to finance lease receivables	-	-	(838)	(838)
Effect of movements in exchange rates	(6)	(5)	(217)	(228)
Balances, September 30, 2025	5,989	3,974	65,109	75,072
<b>Net carrying amounts</b>				
At December 31, 2024	24,439	223	163,898	188,560
At September 30, 2025	23,615	97	143,962	167,674

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

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### 8. RIGHT OF USE ASSETS

	<b>Land and Buildings</b>	<b>Furniture and Equipment</b>	<b>Rolling Stock</b>	<b>Total</b>
Balances, December 31, 2024	20,518	1,532	13,424	35,474
Other additions	2,466	-	-	2,466
Other disposals	(898)	-	-	(898)
Purchase of lease assets	-	-	(5,510)	(5,510)
Effect of movements in exchange rates	3	-	(309)	(306)
Balances, September 30, 2025	22,089	1,532	7,605	31,226
<b>Accumulated depreciation</b>				
Balances, December 31, 2024	8,950	1,532	5,482	15,964
Depreciation	2,000	-	1,117	3,117
Purchase of lease assets	-	-	(970)	(970)
Other disposals	(836)	-	-	(836)
Effect of movements in exchange rates	-	-	(152)	(152)
Balances, September 30, 2025	10,114	1,532	5,477	17,123
<b>Net carrying amounts</b>				
At December 31, 2024	11,568	-	7,942	19,510
At September 30, 2025	11,975	-	2,128	14,103

Terms and conditions of right of use assets are presented below:

	<b>Effective Interest Rate</b>	<b>Net Carrying Amount</b>
Real estate	4.49% - 7.00%	11,975
Rolling stock	2.43% - 10.30%	2,128
		<u>14,103</u>

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

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### 9. LONG-TERM DEBT

Terms and conditions of outstanding long-term debt are as follows:

	<b>Effective Interest Rate</b>	<b>Year of Maturity</b>	<b>Carrying Amount</b>
Bank indebtedness	PRIME+0.50%	N/A	26,450
Loans payable	2.00% - 7.66%	2025-2033	103,352
Finance lease liabilities	2.43% - 10.30%	2026-2033	18,454
			148,256
Current portion			65,791
			82,465

### 10. SHARE CAPITAL

#### Authorized

Unlimited number of common shares with no par value

	<b>Common Shares #</b>	<b>Share Capital \$</b>
<b>Issued</b>		
Balances, December 31, 2024	45,279,164	51,755
Shares issued as part of share purchase plan	648,164	990
Shares issued on exercise of options	510,000	1,246
Balances, September 30, 2025	46,437,328	53,991

The Company offers a share purchase plan (the "Plan"), which allows all employees and independent contractors, but excluding insiders of the Company, to contribute up to 5% of their compensation to a maximum of \$9,600 per year towards the purchase of Titanium common shares. Contributions are matched at a rate of 100% by the Company and shares are issued from treasury in order to fund the Plan. In the case of employees, matched shares are subject to a three-year vesting period. In the case of independent contractors, matched shares are issued after three years of service. The maximum number of shares approved for issuance under the Plan is reviewed by the Board of Directors annually. Of the shares issued to date, 833,559 (December 31, 2024 - 693,419) have not vested. During the three month and nine month period ended September 30, 2025, the Company recognized an expense of \$0.2 million and \$0.6 million (2024 - \$0.2 million and \$0.5 million) relating to the Plan, with a corresponding increase to contributed surplus.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

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### 10. SHARE CAPITAL - continued

During the quarter ended September 30, 2025, no dividends (2024 - \$0.9 million) were declared and paid by the Company to its shareholders.

The weighted average number of common shares outstanding has been calculated as follows:

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Issued common shares, beginning	46,205,976	44,949,613	45,279,164	44,774,905
Effect of unvested common shares	(816,996)	(676,047)	(778,923)	(631,839)
Effect of issued common shares	115,677	84,931	579,082	252,785
Effect of repurchased common shares	-	-	-	(80,500)
Weighted average number of common shares	45,504,657	44,358,497	45,079,323	44,315,351
Dilutive effect of restricted common shares and stock options	992,101	1,148,575	986,137	1,145,078
Weighted average number of diluted common shares	46,496,758	45,507,072	46,065,460	45,460,429

### 11. CONTRIBUTED SURPLUS

Share-based compensation expense is comprised of the following:

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Share purchase plan	206	166	617	533
Stock options	108	105	317	281
	314	271	934	814

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

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### 11. CONTRIBUTED SURPLUS - continued

The Company offers a stock option plan for the benefit of certain of its directors, employees and consultants. The maximum number of shares which may be issued under this plan may not exceed 10% of the number of issued and outstanding shares of the Company. Each stock option entitles its holder to receive one common share upon exercise. The majority of options vests over a period of six years, with half vesting three years from issuance and the other half vesting six years from issuance. The following table summarizes the changes in outstanding stock options:

	<b>Grant #</b>	<b>Exercise Price</b>
Balances, December 31, 2024	3,218,000	2.12
Issued	393,900	2.30
Exercised	(510,000)	1.50
Expired	(134,200)	1.50
Balances, September 30, 2025	2,967,700	2.28

Of the total stock options issued during the period, 236,400 (2024 - 212,800) stock options were issued to key management personnel. The estimated fair value of stock options was calculated using the Black-Scholes option pricing model with the following assumptions: i) the expected life of each stock option is 6.9 years; ii) the risk-free rate is 2.89%; iii) the dividend yield will be 3.65%; and iv) expected volatility is 49.93%. Volatility was determined using the Company's trading data from the first day of trading to the date of issuance. Variables used in the Black-Scholes option pricing model are based on highly subjective assumptions and any change in the assumptions can materially affect the fair value estimate.

The following table summarizes information about stock options outstanding as at September 30, 2025:

<b>Exercise Price \$</b>	<b>Options Outstanding #</b>	<b>Weighted Average Remaining Life in years</b>	<b>Options Exercisable #</b>
1.50	572,800	3.3	522,800
2.25	1,058,300	8.1	109,600
2.50	215,000	8.1	26,666
2.60	911,600	6.0	526,400
2.85	195,000	0.4	195,000
3.00	15,000	5.8	7,500
2.28	2,967,700	6.0	1,387,966

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### 12. SUPPLEMENTAL CASH FLOW INFORMATION

- a) A reconciliation of assets arising from investing activities is as follows:

	Balance Dec 31 2024	Cash Flows	Non-Cash Changes		Balance Sept 30 2025
			New Leases	Reacquired Leases	
Finance lease receivables	6,075	(2,155)	1,736	(545)	5,111

- b) A reconciliation of liabilities arising from financing activities is as follows:

	Balance Dec 31 2024	Cash Flows	Non-Cash Changes		Balance Sept 30 2025
			New Leases /Loans	Foreign Exchange Movement	
Bank indebtedness	20,230	5,606	-	614	26,450
Acquisition loan	1,125	(1,125)	-	-	-
Loan payable	130,129	(24,919)	-	(1,858)	103,352
Finance lease liabilities	20,773	(2,063)	-	(256)	18,454
	172,257	(22,501)	-	(1,500)	148,256

### 13. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, Trunkeast held a significant portion of the shares of the Company. Neither Trunkeast nor its ultimate parent produce consolidated financial statements available for public use.

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Provided truck transportation services to Vision Extrusions Group Limited and Vision Profile Extrusions Ltd., companies under common control	3,784	4,835	12,018	13,595

Included in trade and other receivables as at September 30, 2025, is a total of \$2.2 million (2024 - \$3.0 million) due from these related companies.

These transactions are in the normal course of operations materially under the same commercial terms and conditions as transactions with unrelated companies and are measured at fair value.

# Titanium Transportation Group Inc.

## Notes to Condensed Consolidated Interim Financial Statements

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### 14. WAGES AND CASUAL LABOUR

Included in wages and casual labour are the following:

	<b>3 months ended Sept 30 2025</b>	<b>3 months ended Sept 30 2024</b>	<b>9 months ended Sept 30 2025</b>	<b>9 months ended Sept 30 2024</b>
Share-based compensation expense	314	271	934	814
Employee benefits	322	423	988	1,296
Key management personnel:				
Salaries and benefits	389	340	1,541	1,215
Share-based compensation expense	68	64	203	169

Board members and executive officers are deemed to be key management personnel.

### 15. COMMITMENTS AND CONTINGENCIES

- a) As at September 30, 2025, the Company is not committed to purchasing additional rolling stock.
- b) The Company is regularly subject to litigation in the normal course of business. In the opinion of management, the outcome of current pending claims, in aggregate, is not likely to be material to the financial condition or results of operations of the Company.

### 16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to reflect amounts related to discontinued operations that were determined in 2024.